

Business and Management Subject Report
In conjunction with the September 2010 Curriculum Review

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Abstract

The IB Syllabus is an impressively broad curriculum that covers a vast list of Business and Management topics. This approach undoubtedly creates greater opportunities of learning before students enter the university level. However, the convergence of such a great number of Business and Management topics will inevitably create some problems associated with depth. The recommendation is to have some of the topics not only streamlined but also realigned to more accurately reflect current academic trends.

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Introduction

The November 2008 subject report correctly states that “Business and Management should not be seen as an „easy option“ and teachers should note the academic rigor of the subject, especially the breadth and depth of the syllabus.”¹ Business and the Management of such, is an aptly titled subject, and for anyone who has completed a Masters degree in Business Administration, it will become increasingly clear that the IB Business and Management (B&M) syllabus is akin to a “mini MBA”. The syllabus “attempts” to encapsulate all that is learned in the field of Business and Management into a two-year program of study that ends with the Higher Level students completing Module 6, which in most MBA programs is a *capstone course* in *Strategic Management and Business Policy*.

On the whole the IB B&M syllabus in attempting to broadly address all content areas must fall short in some and thereby significantly disenfranchise the students comprehension of the Management of Business. However, students entering first year of university studies are indeed equipped to rapidly fill in the areas that are wanting especially in comparison to others who have no background in the subject.

As such, the academic rigor of the course appears to be based on a breadth and depth that leaves, the “ range between the top and the bottom groups of candidates [as] very significant in the subject.”² This sharp deviation in performance can be corrected in the syllabus by more *accurately integrating the subject matter with the level of student understanding* and the expectations of university level Business and Management courses of study. The aim of this report is to identify those areas in the syllabus that can be modified to provide a more comprehensive and manageable approach to the subject.

Current Topics in Business and Management

Technology and E-Business

Current thinking in B&M has drawn a clear focus on E-business, ERP (Enterprise Resource Planning)ⁱ and CRM (Customer Resource Management). The current literature in the field looks at strategies for established companies to penetrate the Internet marketplace and thereby garner greater market-share.ⁱⁱ In

¹ November 2008 Subject Reports, Business and Management, pp. 25

² May 2009 Subject Reports, Business and Management, pp 10

the more technologically wired business environment, cost-efficiency is achieved across the supply and demand by the companies that are able to balance their ERP-based infrastructures and capabilities. E-Business and ERP are thereby current topics in academia that reflect the twenty-first century business enterprise. ERP refers to the coordination all the data and resources needed to run a business, e.g manufacturing, financials, inventory, purchasing, order entry etc.

The IB Syllabus has incorporated the role of ICT and E-Business to some degree but should consider placing the role of technology more central in all the applicable Modules as its impact becomes more pervasive in the External Environmentⁱⁱⁱ, Human Resource Management (HRM)^{iv}, Marketing^v ^{vi} and OM (Operations and Management).^{vii}

Social and Environmental Responsibility

The Syllabus has also accurately highlighted current thinking as being dominated by the environment and socially responsible investment. This theme has come to the fore as laws and regulatory authorities attempt to implement and effect government policy.^{viii} University course content is not particularly focused on the role of government but more in addressing the globally integrated market ^{ix}and the ethical concerns that arise when markets converge and in particular the legal issues surrounding bribery, corruption and good governance.

As a subject area the IB B&M Syllabus should consider more effectively *integrating the international legal implications of bribery versus cultural practices as they relate to corporate governance.*

Operations and Management

In OM the current thinking is focused on synchronising the supply chain and improving information management. Technology is pervasive and OM information systems allow real-time information sharing across all business processes. OM studies intensely focus on an understanding of sharing real-time information among the global partners in order to implement more effective supply chain integration.

Business enterprises and university level courses also incorporate concepts such as (CAD) Computer Aided Design and (CAM) Computer Aided Manufacturing in OM as a tool for digitising design which is part of the Design to Store (DS2) approach that serves to reduce design time within the manufacturing process.

Logistics management is a hot topic of study in OM since it allows for reduced time-in-inventory, flow of raw material to the end user along with more rigorous quality control mechanisms, and systems that can help in the restructuring of corporate resources; order tracking through the booking system

and 3D display system for customer selections in an integrated manner available to all stakeholders in the value chain.

Although OM in the IB Syllabus has been basically well integrated with a rudimentary understanding of LIFO (Last-in-first-out) and FIFO (first-in-first-out) inventory concepts, *it should be updated to reflect the thinking that processes can be developed to create a network of synchronous operations*, where the technology is optimised to real-time and accessible by all on a common platform which in turn becomes a competitive strategy for reduced time-in-inventory and D2S strategies^{x xi}.

Globalization and Market Integration

The global marketplace is central to the globalization phenomena. The IB syllabus in section 1.9 Globalization, marginally addresses a field of study that has begun to dominate many aspects of international business management.

It is rare to find a current university textbook in B&M that does not address the global implications or perspectives that result from culture diversity whether locally due to immigration or globally due to corporate expansion.^{xii xiii} As previously stated, this topic at the university level also currently addresses the legal implications of corruption,^{xiv xv} and ethics in global business.^{xvi xvii}

The IB syllabus prudently demands that the student learn the issues centered around social and environmental responsibility. This is still a very current topic in the literature^{xviii xix}, however *a more international context has taken precedence in-line with the growth of global trade and green business^{xx}*. The IB Syllabus should consider this update to its current syllabus.

Human Resource Management

Although not a new topic but one that has changed rapidly to accommodate the most valuable resource is the business, Human Resources Management has started taking a new fresh look in the form of Organizational Behaviour and Management.^{xxi} From a domestic and international perspective,^{xxii} this topic engages in how to improve employee performance and ensure the optimization of labour and business relationships.^{xxiii xxiv} Topics such as Career Development, and Training and Development of employees have dominated the HRM topics as academia and business alike focus on the core of all institutions, namely labour.

The hot topics on the literature of Training in HRM focus on what is commonly referred to as the knowledge economy.^{xxv} This is a “Flat World” understanding on the role to technology and web based approaches to becoming more competitive through use of technology in the delivery of training.^{xxvi}

The IB Syllabus should *consider an overhaul of the existing subtopics in HRM to fit in with the significant changes that have taken place.*

Marketing

In Marketing Management, a more service centered business approach has started to dominate current thinking.^{xxvii} Increasing competitiveness has required an optimization of all functionalities in the supply chain and with the aforementioned role of technology, concepts such as mass customization CRM and the consumer orientated business has become the rule of the day.^{xxviii}

Although the IB Syllabus covers a very broad area in marketing, some change is called for in addressing all the shifts taking place. A fundamental shift is taking place in Marketing Techniques. This is reflected in the introduction of new concepts such as brand equity management, database marketing, value networks, and hybrid channels among others. In order to accommodate these changes, *Holistic Marketing would be the most appropriate realignment for the IB B&M syllabus.* Holistic Marketing is the “development design and implementation of marketing programs, processes and activities that recognize the breadth and interdependencies of today’s marketing environment.”^{xxix}

Progression for the 16+ level to University

An early understanding and ability to synthesize the B&M Modules are a distinct advantage for students coming into university. While some university students have been exposed to internships or entry-level employment positions, high school students are less disposed to this advantage. By consequence, Human Resources Management is a particular challenge to students who have no experience in employment. Workforce participants easily dismiss syllabus topics such as recruitment, appraisal, training and dismissal³ as understandable; however, these areas can be a particular challenge for the inexperienced.

University level courses focus on case studies and primarily seek to draw together theoretical applications. In this respect the IB Syllabus has drawn a suitable parallel in its approach.

HL Extension

The B&M HL extension has creatively restructured the process by which Strategic Management decisions are made. The steps leading from Analysis and Choice into Implementation are clearly in line with the application of strategic decision-making. However, the tools for the final application process available to students are lacking this must therefore lead to a quandary.

³ IB Business and Management Syllabus guide, May 2009, page 33

At the university level, Strategic Management and Decision-making is a university capstone course allowing for the synthesis of the topics through the application of a managerial decision and actions that determine the long-run performance of a corporation. This course includes environmental scanning, strategic formulation and strategy implementation. *Where the IB Syllabus and University courses deviate is in the strategic decision making process that is put into action through a technique known as the strategic audit.*

The strategic audit presents critical questions needed for a detailed strategic analysis. The HL syllabus attempts to put forward questions, *but should aid the students with a strategic audit worksheet⁴ that is quantifiable and leads into a Strategic Factor Analysis Summary (SFAS) Sheet⁵ where the strategic decision is made on the basis of synthesized data and analysis. In addition the IB Syllabus would need to include Evaluation and Control in the strategic management process.* This is one of the most difficult parts of Strategic management but must be included to determine the bottom-line (profit) performance or achievement of stated goals or objectives.

In summation, the HL strategy section is a viable inclusion for the syllabus, but does not provide the needed tools to make the exercise feasible. The current suggested strategic framework approach also does not provide teachers and students without the formal training and background in Business with the requisite worksheets to make the exercise viable.

Strengths and Weaknesses of the Syllabus

1.1

This topic is well structured to cover the introduction of B&M. It fails, however, to identify the Supply Chain process from raw materials to final goods, a concept that should be formally integrated in all the Modules.

1.2

Evolving forms of legal business structures for profit-based organizations such as the LLC (the Limited Liability Company is a blend of the corporate structure and the Partnership) should be included to realign the syllabus with current changes. A primary weakness and challenge for an international curriculum is how to handle the different forms of legal structures around the world.

1.3

The strength of identifying Social and Ethically Responsibilities cannot be underestimated as this moves closer to the foreground of B&M in the university

⁴ See Appendix 1

⁵ See Appendix 2

level. However, the weakness here is that the IB syllabus does not consider the conflicts that occur in legally and culturally diverse nations.

1.5

While the external environment is well covered here, a weakness is that terminology does not include more current B&M related terms such as environmental scanning, task environment and the industry environment.

1.6

The limitations and criticism of the SWOT analysis are noted at the university level and thereby expanded to include the IFAS (Internal Factors Assessment Summary), the EFAS (External Factors Assessment Summary) and the SWOT matrix with possible strategic alternatives included.

The traditional SWOT is all enduring but:

- Generates lengthy lists
- Uses no weights
- Requires only single level analysis
- Allows factors to be placed in two categories (as strength and weakness)
- Has no logical link to strategic implementation

The IB syllabus must thereby consider evolving from the pure SWOT application.

1.9

Globalisation as a topic is too limited in the Syllabus and as previously indicated, the growing role of this topic in the real world as well as academia should be reflected here as well. Global focus could include the concepts:

- International Trade
- Global Financial Management
- Global Strategy
- Global Management Communication
- Culture, Society and Entrepreneurship

Module 2

Specific topics in HRM have taken a central role and could be incorporated to include the updates through selective changes. HRM in this syllabus is too broadly represented with 13 named theorists. This broad approach denies the focus HRM should have on topics whose concepts have evolved into what is now considered Managing Organizational Behaviour.^{xxx}

Further updates in the HRM syllabus topic should include an understanding of the limitations of motivational theories (e.g. non-empirical evidence of Maslow's Needs Hierarchy and opposing schools of thought).

Organizational Culture in the IB Syllabus is not focused enough on more current theoretical applications such as Dominant cultures, Subcultures, Core Values, and the process of socialisation. In addition, the business worlds approach to assessment in the form of the Myers-Briggs Type Indicator (the most widely used assessment instrument in the world)⁶ and Big Five Model is sorely missed in determining individual value systems.

Topic 3

Given the nature and complexity of Accounting, it is understandable that not all aspects of this topic can be covered in the IB Syllabus. However *the lack of a Cash Flow Statement renders the final account incomplete and could be considered.*

It is particularly difficult to have a complete Financial Accounting delivery when considering the stages of the accounting cycle without taking into consideration double entry accounting, deferrals and accruals, T- Accounts and Journal entries. However, given the difficulty of such an attempt at this level, it is understandable that not everything can be incorporated. In this respect the particular strength of the syllabus lies in its selection of what can be excluded.

Managerial accounting has been well represented in the Budgeting section and it is clearly understandable that this topic also is far too complex for this level of education.

A weakness that could be corrected is an *update in Final Accounting to reflect the slow deterioration of values.*^{xxxi} *This update should reflect important issues in Ethics, Fraud and Corporate governance.*

Topic 4

Marketing has its strengths in that it is covered very broadly and is well represented with the same concepts and applications widely used at the university. It would, however, be prudent to consider updating the globally integrated market subtopic with the concept of Holistic Marketing. This is the "development design and implementation of marketing programs, processes and activities that recognize the breadth and interdependencies of today's domestic and international marketing environment.

⁶ R.N. Kennedy and D.A. Kennedy, "Using the Myers-Briggs Type Indicator in career counselling," Journal of employment counselling, March 2004, pp. 38-44.

Topic 5

OM is particularly well represented in this IB syllabus. Given the vast nature of this topic, the only viable change is an update to include a closer examination of a synchronised supply chain with improving information management and the implications on optimised efficiency.

The Internal Assessment

The internal assessment is a valuable learning tool and perfectly suited for case study analysis. Similar to multiple case studies that the university level applies, the IA is a sound method of preparation for future approaches in the learning of B&M. The focus and applications of the IA appear to be sound.

Conclusion and Recommendations

The rapidly shifting markets to globally inter-linked markets and the implications on studies in B&M are clear. As manufacturing shifts to emerging markets and the BRIC economies begin to play a more prominent role, academics has taken the initial steps in leading the foray on topics such as cultural diversity in the workplace and socialization.

Technology has also taken an increasingly central position in B&M studies, influencing OM in strategy and supply chain optimization; global off-shoring production planning, layout and scheduling, capacity planning, mass customization, agile manufacturing and lean production.

Recommendation: To his end B&M as a subject within the philosophy of the IB has to keep up with the rapid transformation caused by technology that is taking place within the discipline and consider placing the role of technology more central *in all the* applicable Modules as its impact becomes more pervasive.

Recommendation: Additional content should only replace existing content, whereby the current review of the curriculum should consider an overall streamlining of the very broad IB B&M syllabus. This sharp deviation in performance can be corrected in the syllabus by more accurately integrating the subject matter with the level of student understanding and the expectations of university level Business and Management courses of study.

Appendix 1

ernal Factor Analysis Summary (IFAS)

S-W-O-T	Industry			Comments
	Weight (0 to 1.00)	Rating (1 to 5)	0.00	
			Weighted Score	
			0.00	
Strengths				
Threats				
Global Technology Exec VP for Product development knowledge				
Competitor CEO has strong track record	0.20	5	1.00	Competitor is unknown Experience/Skilled leadership
New Similar product has been announced to launch in 3 months	0.20	5	1.00	Cost Leadership strategy to compete the newcomer "other side"
Object Manager Harried is skilled in PM role, trained, experienced and certified	0.20	5	1.00	Experienced Skilled PM
Competitor had strong 1st and 2nd round of financing	0.15	3	0.45	
House expertise - Functional requirement				
Client Scientist of competitor has developed a new proprietary that is patentable	0.10	3	0.30	
0.25	5	1.25	Differentiation strategy	
ong Management support for PM - Harried	0.10	2	0.20	
			0.00	
remaining weight (needs to be 0.00)				
Total	1.00		4.70	
Weaknesses				
ad Design Engineer taking a sabbatical	0.15	3	0.45	Manufacturing and Design needs
oling requirements could be an obstacle to design readiness assessment schedule	0.10	2	0.20	
chnologies use obsolete components	0.10	3	0.30	
me new technologies from non-ISO 9000 vendors	0.05	2	0.10	
			0.00	
Total	1.00		3.55	

ternal Factor Analysis Summary (EFAS)

S-W-O-T	Industry			Comments
	Weight (0 to 1.00)	Rating (1 to 5)	Weighted Score	
Opportunities				
ychic industry has a compound annual growth rate of 38% over last 5 years	0.20	5	1.00	Growth market
			0.00	

Appendix 2

Strategic Factor Analysis Summary (SFAS)				Duration			Comments
Strategic Factors (from S W O T analysis)	Weight	Rating	Weighted Score	Short	Intermediate	Long	
	0.00	0.00	0.00				
	0.00	0.00	0.00				
	0.00	0.00	0.00				
	0.00	0.00	0.00				
	0.00	0.00	0.00				
Total	1.00		0.00				

remaining weight factors 1.00

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